

# Washington State Managers' Handbook

## Table of Contents

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Introduction .....	1
Management Framework .....	2
Ethics .....	3
Open Government.....	7
Personnel Management.....	12
General Administrative Procedures .....	20
Inter-Governmental Relations .....	27
Internet Strategy.....	32
Laws and Rules .....	33
Public Relations .....	36
Budget.....	38
Finance.....	40
Audits .....	42



## Introduction

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State government is complex. Its managers face requirements that are different from their federal, local, or private sector counterparts. Because of the complexity and range of those requirements, it is important for new state managers to understand the requirements specific to the state.

This handbook is designed to serve as an introduction to the requirements, procedures, and protocols of state government with which state managers must be familiar. It is intentionally not exhaustive and should not be considered as the final source of information. Instead, it focuses on those critical areas where new managers should be especially knowledgeable so they can become effective as quickly as possible. Relevant statutes and regulations, additional explanatory material, and contacts for more detailed information are noted for each item in the handbook. *Managers are urged to review the more detailed resource material before taking official action and consult with their assistant attorneys general, as appropriate.*

Although the handbook is primarily for agency managers who serve at the pleasure of the Governor, it also will aid other agency managers and members of certain boards and commissions who have policy control over state programs. Managers of agencies that have published their own detailed administrative policy manuals should also become familiar with the additional provisions included in those manuals.

Some items in this handbook are subject to change as laws and policies are amended, so it cannot be considered the final authority on any subject it addresses. The handbook is updated periodically to incorporate these changes, but it must be understood that each edition becomes less accurate with the passage of time.

## Management Framework

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The following statement of strategic intent for the state was approved by both houses of the Legislature in 1995. It is designed to provide guidance to managers and staff in all agencies of state government.

### Vision

Washington State Government will be the most effective and best performing service organization in the state.

### Values

**Service** -- We take pride in serving the public. They are our customers and our employers.

**Quality** -- Improving the quality of our services and products is our number one priority. Total commitment to continuous quality improvement is expected of our employees and our government leaders.

**Accountability** -- We are prudent and effective in the use of the resources entrusted to us. We expect superior results and are accountable for those results.

**People** -- Employee involvement and collaborative partnership among our employees, leaders, and customers are critical to our success. We recognize and value diversity, development, and teamwork as vital elements of an effective work force.

**Communication** -- Regular, reliable, and effective communications between our leaders, employees, and customers are fundamental to achieving our objectives. Our communications are accurate and expressed in terms of measurements and facts.

### Guiding Principles

**Customers are the focus of everything we do:** We listen to our customers. Understanding customer preferences and pursuing customer satisfaction are critical to our success.

**Employees are empowered to perform successfully:** We know what's expected of us. We have the skills, authority, and resources to do our jobs well. We seek continuous feedback on how we're doing and we accept responsibility for our performance.

**Leadership is committed to quality:** We sustain working partnerships with each other, state employees, and the citizens of our state. We set clear goals and expectations, provide essential support, and base decisions on accurate information.

**We are responsible for results:** The ultimate measure of our success is how well we achieve the results expected of state government. We identify clear performance standards and use them to measure our achievements.

**We are cost-effective:** We add the greatest value possible for each dollar we spend.

# Ethics

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## State Ethics Law

The guiding principle of the 1994 State Ethics Law is that public positions, whether filled through election, appointment, or by hiring, may not be used for personal gain or private advantage. The citizens of the state expect all state officers and employees to perform their public responsibilities in accordance with the highest ethical and moral standards and to conduct the business of the state only in a manner that advances the public's interest.

All state employees, especially managers, are expected to be familiar with the following provisions of the state ethics law and to act in a manner consistent with the general provisions and specific restrictions defined in Chapter 42.52 RCW.

- A state officer or employee may not have a financial or other interest or engage in any business or professional activity that is in conflict with his or her official duties.
- A state officer or employee may not use his or her official position to secure special privileges for himself or herself or any other person.
- A state officer or employee may not receive any compensation or gift from a source, except the state, for performing or deferring the performance of any official duty.
- A state officer or employee may not receive a gift, if it could reasonably be expected to influence or reward his or her performance of official duties.

For executive branch agencies, the state ethics law is interpreted and enforced by an Executive Ethics Board staffed by the Attorney General's office (a separate Legislative Ethics Board interprets the law for the Legislature and its employees). The Executive Ethics Board also makes rules and issues advisory opinions interpreting the Act. It is advisable to check the board's advisory opinions, which are available online at [www.wa.gov/ethics](http://www.wa.gov/ethics) or by calling the Executive Secretary of the Executive Ethics Board (360-664-0871) for guidance before making decisions that could raise questions under the ethics law.

## Receipt of Gifts

The state ethics statute includes three main concepts concerning the receipt of gifts: (1) the basic rules; (2) exceptions to the basic rules; and (3) special rules for "Section 4" employees.

1. The basic rules state that an officer or employee may not accept a gift, if it could reasonably be expected to influence the performance or nonperformance of his or her official duties. Moreover, a state officer or employee may not accept a gift or gifts from any single source with an aggregate value in excess of \$50 a year. (See the Act for definitions and examples.)
2. There are two general types of exceptions to the basic rules. Some items are not included within the definition of the term "gift" so the restrictions do not apply. Some

items fall within the definition of gift, but the \$50 limit does not apply. (See the Act for definitions and examples.)

3. The state ethics statute in subsection (4) restricts gifts that may be sought or received by "Section 4" employees. The law describes "Section 4" employees as those employees who meet three criteria: (1) work for a regulatory agency or an agency that seeks to acquire goods or services; (2) the person giving the gift is regulated by the agency or seeks to provide goods or services to the agency; and (3) the state officer or employee participates in those regulatory or contractual matters with that person. (See RCW 42.52.150 for definition of Section 4 employees including examples of gifts which can and cannot be accepted.) Agencies may set policies that are more restrictive than the law.

## Disclosure of Confidential Information

State employees have an obligation to keep confidential information acquired as part of their official duties that is not available to the general public upon request and that must be kept confidential. Employees may not disclose confidential information to an unauthorized person. They may not disclose or use confidential information for personal benefit or to benefit another person. They may not accept employment or engage in business if it might reasonably be expected to require or induce the disclosure of confidential information.

The state ethics law contains a provision relating to a state officer or state employee who intentionally fails to release public records. This provision makes it an ethical violation for an employee to intentionally conceal a record if he or she knew the record was required to be released under the public disclosure law and was under an obligation to provide the record but failed to do so.

## Use of State Resources for Private Gain or Benefit

The law prohibits state officers and employees from using state resources for their own private gain or for the private gain of any person or entity. Examples of state resources may include equipment, office and conference room space, vehicles, supplies, postage, and personnel. The law also authorizes the appropriate ethics board to adopt rules that would allow some very narrow exceptions to this prohibition. The Executive Ethics Board has adopted such a rule, WAC 292-110-010.

Managers should consult WAC 292-110-010 and their human resources section if they are uncertain whether an activity would be in violation of this policy. A separate, more strict rule prohibits the use of state resources in political campaigns (discussed below).

## Compensation for Outside Activities

The ethics law restricts outside employment by state officers and employees to help ensure that no conflict exists with their agency duties.

Employees ordinarily may engage in outside employment and receive compensation for those services if:

1. The services are actually performed by the employee.
2. The services are not within the course of the employee's official duties or under the employee's supervision.
3. The services do not involve transactions with the state related to the employee's official state duties.
4. The services are neither performed for nor compensated by a person from whom the officer or employee is prohibited from accepting a gift.
5. The contract or grant for services was not created by the officer or employee in his or her official capacity or by his or her agency.
6. Performance of the services would not require disclosure of confidential information.

Additional restrictions and requirements apply to contracting with a state agency.

State officers and employees may accept honoraria only if it is specifically authorized by their agency. The ethics law prohibits agencies from authorizing acceptance of honoraria in statutorily defined circumstances where their acceptance could raise questions of conflict of interest.

## Financial Interests in Transactions

State officers and employees are prohibited from having a financial interest in certain contracts and other kinds of transactions involving the state. They are prohibited from being beneficially interested, directly or indirectly, in a contract, sale, lease, purchase, or grant that is made by, through, or under their supervision (in whole or in part), or to accept, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in the contract, sale, lease, purchase, or grant. State employees may not participate in a transaction involving their agency in their official capacity with an entity of which the employee is an officer, agent, employee, member, or in which the employee owns a beneficial interest.

Employees needing advice regarding potential conflicts should contact their human resources office.

## Employment of Former State Employees

A former state officer or employee may not accept employment or compensation from an employer within one year of leaving state employment, if *all three* of the following conditions are present:

1. During the two years immediately preceding termination of state employment, the employee negotiated or administered a contract with the new employer;
2. The contract(s) had a total value in excess of \$10,000; and
3. Duties with the new employer would include fulfilling or implementing the contract.

For two years following termination of state employment, a state officer or employee may not have a beneficial interest in a contract or grant which was expressly authorized or funded by action in which the employee participated while in state employment.

A former state officer or employee may not accept an offer of post-state service employment or compensation if the state officer or employee has reason to believe, or the circumstances would lead a reasonable person to believe, that the employment is offered for purposes of influencing or rewarding the officer's or employee's performance of duties for the state.

## Assisting in Transactions Involving the State

Former state employees may not assist another person in a transaction involving the state in which the employee participated during employment with the state. RCW 42.52.080(5) provides exceptions to this prohibition.

State employees may not share compensation received by another person for assisting that person in rendering services that the employee is prohibited from providing.

## Use of State Resources for Political Campaigns

State employees are prohibited from using agency facilities, property, and personnel to assist in an election of a person or to promote or oppose a ballot proposition. A supervisor who knowingly acquiesces in an employee's use of public resources for a political campaign also violates the ethics statute. The prohibition against using public resources for political campaigns does not apply to activities of a state employee that are part of normal and regular conduct of the office or agency. Certain additional limited statutory exceptions apply.

**Relevant Statutes and Rules:** RCW 42.52.180, and Chapters 292-100 and 292-110 WAC.

**Relevant Materials Available:** AGO 1975-23; AGLO 1977-45; PDC Declaratory Rulings 1, 2, and 4; King County Council vs. PDC, 93 Wn. 2d 559 (1980).

**Contact for Information:** your agency assistant attorney general; the Executive Ethics Board, (360) 664-0871.



## Open Government

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### Open Meetings

The Open Public Meetings Act (Chapter 42.30 RCW) was adopted in 1971 to ensure that citizens are informed about the actions of public agencies. The law applies to multi-member governing bodies of public agencies, including boards, councils, commissions, and committees or other policy or rule-making bodies. Public notice of meetings must be given in advance. Alternative procedures are established for special and emergency meetings.

Executive sessions, closed to the public, are allowed only in certain limited circumstances, such as when certain confidential personnel matters, certain real estate transactions, or litigation or potential litigation involving the agency is being discussed. If an executive session is permissible, the person presiding over the meeting must announce the statutory reason justifying the session and the time when the executive session will be concluded. Strict adherence to open meetings requirements is essential to an informed citizenry and maintaining credibility and trust in government.

**Relevant Statutes and Rules:** Chapters 42.30 and 42.32 RCW; attorney general's opinion 1971-33; various other attorney general's opinions.

**Contact for Information:** Your assistant attorney general.

### False Reports and Certificates

All official statements and certificates must be accurate. State employees who knowingly make false official statements or certificates are guilty of gross misdemeanors.

**Relevant Statutes and Regulations:** RCW 42.20.040 and 42.20.050.

**Contact for Information:** Your assistant attorney general.

### Public Records

The law defines public records broadly to include any information relating to the conduct or performance of government prepared, owned, used, or retained by an agency, regardless of the physical form of the writing. With limited exceptions, all public records are required by RCW 42.17.250 through 42.17.340 to be open for public inspection and copying during normal office hours. Records are exempt from public inspection only if a specific statutory exemption applies. Agencies are required to make their copying facilities available unless doing so would unreasonably disrupt operations. Copying charges may be imposed, but may not exceed costs as defined in RCW 42.17.260. No fee may be charged for inspection of records. Agencies are also required to maintain indexes of specific records for public use.

RCW 42.17.310 lists a number of records that are exempt from disclosure. Some of these include:

- Certain personal information, such as records of individual students, patients, prisoners, clients, or employees.
- Certain law enforcement records.
- Examination materials.
- Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended
- Certain legal and archaeological records.
- Certain financial and commercial information.

These exemptions are interpreted narrowly and some have been further refined by court decisions. When used, the agency must specify the exemption invoked and include an explanation of how it applies to the withheld record. There are other exemptions from disclosure contained throughout the statutes. Agencies are required to publish a list of all other laws creating exemptions from disclosure that agencies believe apply to their records.

RCW 42.17.320 requires agencies to respond promptly to requests for public records. Within five business days of receiving a request, an agency must respond by:

1. Providing the record, or
2. Acknowledging receipt of the request and providing a reasonable estimate of the time needed to respond, or
3. Denying the request.

Denials of such requests must be in writing and give specific reasons for the denial. Agencies should formally review all of their denials immediately, because they become final for judicial review at the end of the second business day following the denial.

**Relevant Statutes and Rules:** RCW 42.17.250 through 42.17.340.

**Relevant Materials Available:** "Obtaining Public Records," available from the Office of the Attorney General.

**Contact for Information:** Your agency assistant attorney general.

## Privacy Protections

Executive Order 00-03 was issued in April 2000 to ensure that state agencies protect confidential personal information in public records to the maximum extent possible while complying fully with the state's public disclosure and open government laws.

The proliferation of large databases that contain sensitive information about individuals has resulted in privacy risks and public concerns about how information is used and managed. Since state government is accountable to all citizens of Washington for carrying out vital public

programs, its agencies should be leaders in responsible information management. This means strict adherence to the access requirements of the public records law and maximizing personal privacy protections within the requirements of that law.

Under the executive order, agencies are required to:

- Have privacy policies prominently displayed on their Internet web sites;
- Establish procedures for handling and disposing confidential personal information so that it does not get into the wrong hands;
- Remove Social Security numbers and other key personal identifiers from documents that may be subject to public scrutiny;
- Ensure that personal information is not sold, that lists of individuals are not released for commercial purposes (see AGO 1998 No. 2), and that the collection of personal data is limited to that which is needed and retained only as long as necessary;
- Ensure that their contracts or agreements for sharing personal information with other entities have requirements that protect the information from inappropriate uses;
- Notify the public when personal information is collected that it may be disclosed as a public record and that citizens may review information about them to ensure that it is correct and complete; and
- Designate a contact person to deal with privacy complaints from the public.

**Relevant Statutes and Rules:** RCW 42.17.250 through 340; other statutes that pertain to agency-unique public record confidentiality requirements.

**Relevant Materials Available:** Executive Order 00-03; AGO 1998 No. 2; reports from the Governor's Executive Policy Office on implementation of EO 00-03.

**Contact for Information:** Governor's Executive Policy Office, (360) 902-0640; Governor's General Counsel, (360) 753-6780; your agency assistant attorney general.

## Public Records -- Preservation and Destruction

The statute regulating the preservation and destruction of public records, Chapter 40.14 RCW, defines records very broadly to include everything from memos and reports to completed forms, maps, films, machine readable records, and other documents regardless of physical form, including electronic records. Also included are papers and correspondence of elected officials and appointed agency officers. Willful injury of public records is punishable by imprisonment, a monetary fine, or both.

This same law establishes a State Records Committee, which must approve the disposition of all public records and mandates statewide records management policy and procedures.

Agencies are not free to establish their own records retention and destruction procedures. All public records are public property and are required to be maintained by the agencies that generate them until they are no longer needed. They may then be transferred to the Division of Archives and Records Management in the Secretary of State's Office or disposed of in

accordance with retention schedules approved by the State Records Committee. Certain public records, classified as official public records, must be retained for six years, unless shorter retentions have been approved. Records designated as archival will be transferred to the State Archives and retained indefinitely.

State agencies must also identify records essential to the restoration of government after a disaster. The Division of Archives and Records Management provides facilities for the storage of these records. In addition, the Division provides training and consultation on various aspects of records management.

**Relevant Statutes and Rules:** Chapters 40.10, 40.14, 40.16 and 40.20 RCW; Chapters 434-600 WAC.

**Relevant Materials Available:** Records Management handbooks No. 1, "How to Use Your Records Center," and No. 2, "Records Inventory Evaluation and Disposition," "Microfilm Standards, State of Washington," "Essential Records Protection Manual," "Disaster Preparedness Handbook," and Agency and General Records Retention Schedules. All are available from the Division of Archives and Records Management.

**Contact for Information:** Division of Archives and Records Management, (360) 743-5485; Microfilm Services (360) 586-6232; Records Center, (360) 753-5468; Archives Research, (360) 586-1492.

## Financial Affairs Statements

As a means of alerting the public and state officials filing the report to potential conflicts of interest, most agency heads and members of many state boards and commissions, along with professional legislative staff members and members of the Governor's professional staff, are required by RCW 42.17.240 to file financial affairs statements (Form F-1) with the Public Disclosure Commission (PDC). The initial report is due within two weeks after appointment. It covers financial affairs for the 12 months preceding appointment. The report lists, in some detail: sources of income, intangible assets, liabilities such as bank loans and mortgages, real estate transactions and holdings, and certain business interests.

Subsequent reports must be filed by April 15 of each year and cover the preceding calendar year. The short Form F-1A can be filed if there are not substantial changes to the F-1, and may be used for a maximum of three years before a new, complete disclosure statement must be submitted. From time to time, the Legislature or the Public Disclosure Commission may alter reporting thresholds, in which case complete disclosure statements may be required for that year.

Filers may seek reporting modifications in cases where a reporting requirement may cause an unreasonable hardship.

Failure to file accurate and timely financial affairs statements can result in embarrassment for both the agency head and the Governor, as well as monetary penalties and loss of position.

**Relevant Statutes and Rules:** RCW 42.17.240 through 42.17.242.

**Relevant Materials Available:** Public Disclosure Commission Forms F-1 and F-1A with related instruction booklet.

**Contact for Information:** Public Disclosure Commission, (360) 753-1111.

## Whistleblower Law

The intent of Washington's Whistleblower law is to encourage state employees to report improper governmental actions and to protect them from employer retaliation for doing so. Improper governmental activity is defined as any action undertaken in the performance of an employee's official duties which:

- Results in mismanagement or gross waste of public funds or resources.
- Violates federal or state law or rules, if the violation is not merely technical or minimal in nature.
- Is a substantial and specific danger to public health or safety.

It does not include personnel actions for which other remedies exist. The definition of whistleblower includes not only employees who initially report allegations, but also those employees who, in good faith, provide information to the auditor in connection with a whistleblower investigation.

Under this law, employees must report their allegations to the State Auditor for investigation to receive protection from retaliation. Employees who believe they have been retaliated against because of their whistleblowing activity are entitled to remedies provided under Chapter 49.60 RCW. It is an unfair practice to retaliate against a whistleblower, as stated in RCW 49.60.210. Reports of retaliatory activity are investigated by the Human Rights Commission. For more information, refer to [mrsc-web.mrsc.org/personnel/wb-retaliation](http://mrsc-web.mrsc.org/personnel/wb-retaliation).

A written summary of the Whistleblower law and procedures for reporting improper governmental action established by the State Auditor's Office must be made available by each agency to each employee upon entering public employment. In addition, employees must be notified by each agency each year of the procedures and protections under this law.

**Relevant Statutes and Rules:** Chapters 42.40 and 49.60 RCW.

**Relevant Materials Available:** Written procedures for filing a disclosure of improper governmental action are available at [www.sao.wa.gov](http://www.sao.wa.gov) or by calling the State Auditor's Office (360) 902-0369. Human Rights Commission at [mrsc-web.mrsc.org/personnel/wb-retaliation](http://mrsc-web.mrsc.org/personnel/wb-retaliation).

**Contact for Information:** Your agency Human Resources Office; Office of the State Auditor, (360) 902-0369; Department of Personnel, (360)664-1960; Human Rights Commission, (360) 753-6770.

## Personnel Management

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### Equal Opportunity

The principle of equal opportunity guides all personnel actions. Equal opportunity requires that all persons be given similar opportunities and be subject to similar terms and conditions of employment and expectations of performance regardless of protected group status. Equal opportunity may require that a reasonable accommodation be provided to applicants and employees.

### Hiring, Promoting, Disciplining, and Terminating Employees

Many managers, particularly in the private sector, have great latitude in their employment decisions. State government managers, however, must work within the framework of the civil service law (Chapter 41.06 RCW) and other applicable provisions of Title 41 RCW. The general purpose of state civil service laws is to ensure that personnel decisions are made on the basis of merit and that a competent, professional cadre of state employees is developed and retained.

The procedures for hiring, promoting, and terminating employees, as well as for other personnel actions, are prescribed by Chapter 41.06 RCW and the Merit System Rules, Title 356 WAC, adopted by the State Personnel Resources Board. Different aspects of personnel management are controlled by other statutes, rules, collective bargaining agreements, and departments. Examples include the state retirement systems and the employment limitations imposed by appropriations acts, executive orders, and Office of Financial Management directives.

A manager must work within the Merit System to hire, promote, and train competent employees. Managers must also discipline appropriately and, if necessary, terminate employees for cause. To be in accordance with the statutes and rules, these actions require time and complete documentation.

Personnel procedures require expertise. Agency directors should plan personnel actions in advance and rely on their Human Resource Consultants to handle the administrative details of these matters.

Only a relatively few key positions are exempt from the provisions of the civil service law. In such cases, exempt employees serve at the pleasure of the appointing authority. However, it should be stressed that any terminations of exempt employees need to be discussed with the appropriate Human Resource Consultant and assistant attorney general prior to taking action. In addition, any letters of employment, employee handbooks, and employment policies affecting exempt employees need to be reviewed to ensure that rights to permanent employment are not guaranteed in blanket statements.

**Relevant Statutes and Rules:** Title 41 RCW, particularly Chapters 41.06 and 41.64 RCW; Chapters 356-26, 356-30, 356-34, 358-10, 358-20, 358-30, and 358-40 WAC.

**Relevant Materials Available:** Agency policies and procedures manual; Summary of Personnel Appeals Board decisions; Supervisor's Guide to Corrective Actions.

**Contact for Information:** Your agency human resources officer; Department of Personnel, (360) 664-1960; Personnel Appeals Board, (360) 586-1481.

## Use of Personnel System Services

The Department of Personnel provides assistance and consultation in handling various personnel matters. All agencies pay for such services as part of their mandatory contribution to the Personnel Services Fund. The Department of Personnel can be particularly helpful in complex human resource situations. Examples of assistance provided are recruitment services, job classification, salary services, interpretation of civil service laws and rules, and employee training. The department also has an Agency Assistance Unit, which furnishes technical assistance to small agencies lacking personnel specialists.

**Contact for Information:** Your agency human resources officer; Department of Personnel, (360) 664-6339.

## Affirmative Action

Recognizing the state's leadership role as a major employer, the 1985 Legislature enacted Chapter 49.74 RCW requiring affirmative action in state employment. The purpose is to eliminate under-representation of affected class persons, i.e., women, racial and ethnic minorities, persons over 40 years of age, persons with disabilities, disabled veterans, and Vietnam-era veterans. Furthermore, the [Governor's Executive Order 93-07](#) requires all state executive agencies and higher education institutions to maintain a current affirmative action program with specific measurable goals and objectives for employment and promotion of affected groups members. Managers should be familiar with relevant agency goals and strive to correct the under-utilization of affected group members. It is the responsibility of managers to be certain that persons involved with hiring or promotions make appropriate use of equal opportunity and affirmative action principles.

Affirmative action plans are reviewed and approved by the Department of Personnel and the Governor's Affirmative Action Policy Committee. The Department of Personnel provides assistance in preparing and implementing affirmative action plans.

**Relevant Statutes and Rules:** EO 93-07, EO 98-01; Chapter 49.74 RCW; Chapters 251-23; 356-09 WAC; WAC 356-26-060(5), 356-22-040 and 356-22-130(3).

**Relevant Materials Available:** Department of Personnel Higher Education Affirmative Action Guidelines, Department of Personnel Affirmative Action Planning Guidance, Agency

Affirmative Action Plan and the State Policy Guidelines on Reasonable Accommodation of Persons with Disabilities Related to State Employment.

**Contact for Information:** Your agency human resources officer and/or affirmative action officer; Department of Personnel: Workforce Diversity Office, (360) 664-6228; Personnel Services for Higher Education Unit, (360) 664-6280; and the Reasonable Accommodation Unit, (360) 664-6333; Human Rights Commission, (360) 753-6770, and Governor's Policy Advisor for Affirmative Action, (360) 902-0652.

## Diversity

Diversity in the state's workforce continues to increase. It is important that managers create an organizational culture that respects and values individual and group differences, encourages the productive potential of every employee, and integrates the principles of diversity into all facets of the workplace. Policy statements, programs and procedures must ensure that services are delivered in a way that is responsive to the needs of our diverse citizenry. Each agency and higher education institution has developed, and maintains, a Diversity Plan outlining goals in seven areas. Managers should be familiar with their organization's plan and their responsibilities in implementing the plan. The Governor's Office annually reviews with each agency director, the agency's progress toward achieving diversity goals.

**Relevant Statutes and Rules:** EO 93-07; RCW 41.06.500.

**Relevant Materials Available:** Agency Diversity Plan.

Contacts for information: The Higher Education Coordinating Board, (360) 753-7800; Department of Personnel Workforce Diversity Office, (360) 664-6228; your human resources officer; Governor's Policy Advisor for Affirmative Action.

## Performance Evaluations

State managers are required to complete performance evaluations of their employees at least once a year, using standardized state procedures and forms. Probationary employees should be evaluated before the end of the probationary period. These evaluations should "place primary emphasis on recording how well the employee has contributed to efficiency, effectiveness, and economy in fulfilling state agency and job objectives" (RCW 41.06.169).

Managers should use the performance evaluation as a tool to develop and maintain communication between themselves and their employees. Besides evaluating an employee's past performance, the evaluation should be used to establish a plan for improvements in the employee's skills. When properly used, the evaluation process assures that employees can maximize their contributions to state productivity.

Finally, evaluations can provide documentation of employee deficiencies in support of necessary personnel actions.



**Relevant Statutes and Rules:** RCW 41.06.169, and 41.06.176 through 41.06.196; WAC 356-30-300.

**Relevant Materials Available:** Department of Personnel "Employee Development Performance Plan."

**Contact for Information:** Your agency human resources officer.

## Adverse Personnel Actions

Adverse personnel actions, such as demotions, salary reductions, suspensions, and dismissals, are difficult for any manager to handle. In state government such actions must comply with the civil service law, which protects employees from arbitrary or ill-motivated decisions. Managers who attempt to take such actions without proper preparation often fail. On the other hand, managers who do not take appropriate action are subject to disciplinary actions themselves in accordance with RCW 41.06.196 and 43.01.125.

State managers must be aware that most adverse personnel actions, except reductions-in-force (RIF), can be made only for a cause set forth in WAC 356-34-010, and that such actions are usually appealable to the Personnel Appeals Board and subsequently to the Superior Court. Reductions-in-force must be handled in accordance with agency RIF procedures approved by the Director of Personnel and WAC 356-30-330. They can be appealed to the Personnel Appeals Board.

Managers should work closely with their personnel officers to ensure that they carefully document each case in writing and follow all procedures contained in the Merit System Rules, including counseling and training where applicable. It is also advisable to work closely with the assigned assistant attorney general when dealing with disciplinary situations. Agencies are seldom overruled in cases that are fully documented, when procedures are properly followed, and when the action is reasonable and supported by factual evidence.

Counseling for any problem affecting a state employee's job performance is available through the Department of Personnel's State Employee Advisory Service (EAS). EAS has offices in Olympia, Seattle, and Spokane. This service is also available to an employee's family members. EAS further offers consultation to managers in a variety of areas affecting the workplace.

**Relevant Statutes and Rules:** RCW 41.06.170; Chapters 356-34, 356-35, 358-20 WAC, and WAC 356-30-330.

**Relevant Materials Available:** Department of Personnel booklets titled "Supervisor's Guide to Corrective Action" and "Employee Advisory Service Supervisor's Guide"; applicable collective bargaining agreements.

**Contact for Information:** Your agency human resources officer and assistant attorney general; Department of Personnel, (360) 753-5358; Employee Advisory Service, (360) 753-3260; Personnel Appeals Board, (360) 586-1481.

## Prohibition Against Discrimination and Harassment

Washington State government is committed to ensuring that its employees are free from discrimination and harassment. Chapter 49.60 RCW prohibits employment discrimination based on age, sex, marital status, race, creed, color, national origin, the presence of sensory, mental or physical disability, or use of a trained guide or service dog by a disabled person. Executive Order 93-07 additionally prohibits employment discrimination based on sexual orientation. Executive Order 89-01 specifically defines and prohibits sexual harassment. It requires that agencies have a policy prohibiting sexual harassment and a procedure that responds promptly and effectively to sexual harassment concerns. It also requires that all agencies provide all employees training on the topic. Employees are protected from retaliation for bringing forth a complaint or participating in an investigation.

Managers are responsible for the work environment including: behavior among employees; behavior of customers, clients, or the public toward employees; and treatment of customers, clients, and the public by employees. Managers must give employees appropriate notice of expectations regarding their workplace behavior and must take prompt action when there is reason to believe discrimination or harassment has occurred or is occurring.

**Relevant Statutes and Rules:** RCW 49.60.018 and 70.84.080; EO 89-01; EO 93-03; EO 93-07; Chapters 162-12 through 26 and 162-30 WAC; Titles VI and VII of the federal Civil Rights Act of 1964; the Americans with Disabilities Act of 1990 and its retaliation provisions. ADA regulations.

**Relevant Materials Available:** State policy "Guidelines on Reasonable Accommodation of Persons with Disabilities Related to State Employment;" "EEOC Pre-employment Disability Related Inquiries and Medical Examinations Under the ADA"; Department of Personnel brochure, "Sample Guidelines for Interviewing Job Applicants"; Human Rights Commission Booklets "Pre-Employment Inquiries and Screening," "Employment Regulations," "Sexual Harassment, What Your Employer Should Know," "Sexual Harassment, What You Can Do"; and agency sexual harassment policy and complaint procedure.

**Contact for Information:** Your human resources officer, Department of Personnel Workforce Diversity Office, (360) 664-6228, or the Human Rights Commission, (360) 753-6770.

## Exempting Positions from the Civil Service System

Limited exceptions to the civil service system have been made for certain groups of state employees, such as agency directors and legislative staff, who must be responsive to elected officials. In agencies with more than 50 employees, some additional exemptions are permissible. RCW 41.06.070(3) authorizes the Governor to request the Personnel Resources Board to exempt up to an additional one percent of employees of agencies under his or her

direct authority. The Personnel Resources Board must exempt such positions if it determines they involve "substantial responsibility for the formulation of basic agency or executive policy" or involve "directing and controlling program operations of agencies or a major administrative division thereof."

It is important that exemption requests be handled carefully by agency management. The affected employees should be involved in the process, justification should be developed, and position descriptions should be prepared. The Department of Personnel staff should be fully consulted, and the agency head should personally make the formal request to the Personnel Resources Board and be present at the hearing. When it is necessary to request the use of one of the Governor's pool positions, approval must be obtained from the Governor's Office.

Under no circumstances should an agency attempt to exempt positions simply for administrative convenience or as a means of reprimanding employees.

**Relevant Statutes and Rules:** RCW 41.06.070 and statutes cited thereafter.

## Washington Management Service

The Washington Management Service (WMS) is a personnel system established separately for mid-level managers in state government. Positions in WMS retain the protection of the civil service system, but are covered by a separate set of personnel rules that emphasize flexibility, decentralization, and individual accountability.

Within broad guidelines, agencies are responsible for recruitment, hiring, employee development, compensation, and other personnel functions relating to the WMS positions. The intent is for decisions to be based on the needs of the agency, the position, and the individual circumstances, without prescriptive policies and procedures.

WMS does away with traditional civil service standards such as job classifications, recruitment registers, and salary ranges. Instead, a point factor evaluation system is used to place each position into one of four broad management bands that provide parameters for salary determination.

With agencies assuming responsibility for personnel actions and decisions relating to WMS positions, the role of the Department of Personnel for these positions has become that of a consultant and provider of special services such as management development opportunities, a recruitment information clearinghouse, and compensation administration training.

**Relevant Statutes and Rules:** RCW 41.06.500, Chapter 356-56 WAC.

**Contact for Information:** Department of Personnel, (360) 664-1960.

## Nepotism

There are no state laws or regulations prohibiting nepotism. Indeed, there are laws prohibiting discrimination on the basis of marital relationship. A manager should avoid placing related people in supervisor-supervisee relationships or other roles that could lead to a conflict of interest. This does not mean that related persons may not work in the same agency, same branch of government, etc. Managers should not extend any "anti-nepotism policy" to the point where it unlawfully results in discrimination on the basis of marital status.

Although the hiring of relatives is not directly addressed in state law, the hiring of one's spouse or minor child may violate Washington's conflict of interest laws because an employee ordinarily has a property interest in the income of his/her spouse and may have an interest in the income of minor children.

**Relevant Statutes and Rules:** RCW 42.52.020 and .030; 49.60.180; and 49.60.200; WAC 162-16-150.

**Contact for Information:** Your agency human resources officer; Department of Personnel, (360) 664-1960; your agency assistant attorney general.

## Collective Bargaining

Classified state employees are allowed to organize and to bargain collectively on personnel matters over which an agency has discretion. Agency heads should be aware of the existence of bargaining units within their agencies and negotiated contracts that may limit their discretion in certain areas.

The Personnel Resources Board establishes rules for bargaining and the formation of bargaining units. Agency heads should consult with their staff to make sure they have plans for meeting their labor relations objectives.

The Department of Personnel can help state agencies with labor problems. The Department of Personnel's Labor Relations and Hearings Unit gives advice on its processes and procedures to employees as well as management and union representatives. It conducts bargaining agent and union shop elections, mediates contract and grievance disputes, and investigates unfair labor practice charges. The unit also staffs the State Personnel Resources Board in determining appropriate bargaining units, deciding unfair labor practice cases, and arbitrating contract and grievance impasses.

**Relevant Statutes and Rules:** RCW 41.06.150 and Chapter 41.56 RCW; Chapter 356-42 WAC; EO 70-04.

**Contact for Information:** Your agency human resources officer; Department of Personnel, (360) 664-1960.

## Role of Agency Heads in Personnel Resources Board Matters

The State Personnel Resources Board meets monthly and handles personnel matters such as biennial salary and benefits surveys, allocation of positions to exempt service, and amendment of the classification and pay plan and Merit System Rules.

Agency heads should take an interest in Personnel Resources Board matters that specifically affect their agencies. At Board hearings, analysts from the Department of Personnel (DOP) summarize for the Board the affected agencies' and other parties' (e.g., union or employee) positions on each item and provide DOP's recommendations. The Board allows testimony and affords agencies the opportunity to further explain or reinforce their positions. It is advisable for agency heads to be present for items of major importance.

**Relevant Statutes and Rules:** WAC 356-06-080.

**Relevant Materials Available:** Twenty-day notices and minutes of monthly Personnel Resources Board meetings.

**Contact for Information:** Your agency human resources officer; Department of Personnel, (360) 664-1960; experienced agency heads.

## General Administrative Procedures

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### Attorney General's Office

The Attorney General is a separately elected official who represents the state in legal affairs. Each agency is assigned to one or more assistant attorneys general who provide legal representation and counsel. Agency heads should consult with their assistant attorneys general whenever legal questions arise or when interpretation of statutes, rules, or constitutional provisions is needed. With few exceptions, the Attorney General is the only state official who may employ attorneys to represent state agencies on legal matters.

**Relevant Statutes and Rules:** RCW 43.10.030 through 43.10.067.

**Contact for Information:** Your assistant attorney general.

### Personal Service Contracts

When managers need professional expertise not available within their agencies or any other agency within state government, they may hire outside consultants under a personal service contract. Agencies sometimes contract with consultants for management services, employee training, development of information systems, conduct of scientific studies, research services, etc. Generally, personal services address short-term needs, expedite special projects, or provide specialized skills for which the state is not permanently staffed.

The consultant serves a state agency as an objective and independent adviser who performs a specific study, project, or task requiring professional or technical expertise. The consultant does not have the authority to decide, command, or control an agency's affairs. That authority is always retained by agency management. The agency, on the other hand, does not supervise or control the methods employed by the consultant.

State policy for personal service contracting is included in the State Administrative and Accounting Manual (SAAM), Chapter 15. This policy is intended to ensure that effective and economic consultant contracting occurs. It explains the process for competitively procuring contractors, awarding and managing contracts, and filing certain contracts with the Office of Financial Management (OFM). OFM also issues a "Guide to Personal Service Contracting" that provides more information relating to these contracts.

The agency or manager must consider whether qualified public resources are available before entering into a personal service contract. Other requirements, such as filing the proposed contract or amendment, are set forth in Chapter 39.29 RCW and the OFM policy, and must be accomplished prior to initiation of work on a personal services contract. At the conclusion of each fiscal year, any personal service contracts that were not filed with OFM must be reported to OFM.

Personal service contracts must be awarded in accordance with RCW 39.19.060 and implementing rules adopted by the Office of Minority and Women's Business Enterprises. The rules include annual goals for agencies to meet in contracting with minority- and women-owned businesses.

OFM also issues a "Guide to Client Service Contracting" which identifies best practices for award and management of client services. Client service contracts are those entered into for professional or technical services to be provided by an organization or person external to state government for delivery of direct services to agency clients.

**Relevant Statutes and Rules:** Chapters 39.19, 39.29 RCW; Title 326 WAC.

**Relevant Materials Available:** The state of Washington "State Administrative Accounting Manual", Chapter 15; "Guide to Personal Service Contracting," and "Guide to Client Service Contracting", available from the OFM Personal Service Contract office or online at: [www.ofm.wa.gov/psc/psctoc.htm](http://www.ofm.wa.gov/psc/psctoc.htm)

**Contact for Information:** Personal Service Contract office, OFM, (360) 664-7730 or (360) 664-7731; the Office of Minority and Women's Business Enterprises, (360) 753-9693.

## Travel

Official travel must be carefully controlled by agency managers to ensure efficient use of resources. In addition, control is necessary because abuse of official travel can result in a negative public image of state government.

Detailed travel regulations are set forth in the Washington "State Administrative Accounting Manual" (SAAM), Chapter 10. Agency heads and managers should become familiar with these travel regulations to avoid unintentionally authorizing their employees to participate in improper activities, such as claiming high cost per diem rates where they are not authorized or using a state car for personal activities. Such activities are prohibited.

Travel regulations for board members are dependent upon the board class and the reimbursement method option selected. Detailed travel regulations for board members are set forth in SAAM, Section 10.70.

**Relevant Statutes and Rules:** Various. See especially RCW 43.03.050 through 43.03.210.

**Relevant Materials Available:** "State Administrative and Accounting Manual", Chapter 10, [www.ofm.wa.gov/policies.htm](http://www.ofm.wa.gov/policies.htm); additional travel resources (per diem map, per diem schedule, and quick reference guide) are available at [www.ofm.wa.gov/policy/resource.htm](http://www.ofm.wa.gov/policy/resource.htm).

**Contact for Information:** Accounting Division, OFM, (360) 664-7700.

## Purchasing

The state has established a central purchasing operation in the Department of General Administration (GA) in order to save money by taking advantage of the large total volume of state purchases. Purchases must be made in accordance with the provisions of RCW 43.19.180 through 43.19.200, and rules adopted by GA and the Office of Minority and Women's Business Enterprises (OMWBE). All purchases and leases of goods, equipment, and services must be made through the GA Office of State Procurement with certain exceptions as noted in the statutes and rules.

Major statutory exceptions include:

- Materials and equipment for resale to other than public agencies.
- Personal services.
- Insurance and fidelity and surety bonds, which are handled by the State Risk Manager, Department of General Administration, under RCW 43.19.1935.
- Specialized instructional and research materials and equipment in state institutions of higher education, and/or requisitions made by higher education facilities under RCW 28B.10.029.
- Cases of extreme and immediate necessity with immediate written report to the Director of General Administration, as required by RCW 43.19.200.
- Information technology resources, including both purchased and personal services, which are handled by the Department of Information Services under Chapter 43.105 RCW.
- Printing, which is the responsibility of the State Printer.
- Public Works, which is the responsibility of General Administration, Division of Engineering and Architectural Services.
- Purchases by university hospitals, state hospitals and health care programs operated by state correctional institutions through participation with non-profit cooperative hospital purchasing groups.

Acquisition of Information Technology (IT) resources is under the authority of the Information Services Board (ISB), RCW 43.105.041. The ISB sets policies, standards, and guidelines for the acquisition and management of technology resources as part of IT Portfolio Management. Portfolio Management provides for the coordinated and comprehensive planning and management of state IT resources. The ISB delegates varying amounts of acquisition authority to each agency; acquisitions above those amounts, as well as certain types of acquisitions require ISB approval. The policies, standards, and guidelines related to IT Portfolio Management are available at [www.wa.gov/dis/portfolio](http://www.wa.gov/dis/portfolio).

**Relevant Statutes and Rules:** Chapters 39.19, 43.19, and 43.105 RCW; Title 326 WAC; WAC 236-48-002 through 236-48-300, and 236-49-001 through 236-49-040.

**Relevant Materials Available:** "General Authorities for Purchasing," available from the GA Office of State Procurement; "Information Technology Policy Manual" and "IT Portfolio Model," available from the Department of Information Services at [www.wa.gov/dis/portfolio](http://www.wa.gov/dis/portfolio).



**Contact for Information:** Office of State Procurement, General Administration, (360) 902-7400; Department of Information Services, (360) ; Central Stores, General Administration, (360) 902-7410.

## Portfolio Management

Washington uses a Portfolio Management approach to manage its information technology (IT) resources. Under Portfolio Management, IT resources are managed in a comprehensive way, similar to how one would manage other investments such as stocks or real estate. Each proposed IT resource acquisition - hardware, software, personal, or purchased services - is evaluated in the context of the agency's and the state's current IT holdings. Agencies compose a "baseline" portfolio that contains an inventory of all of their IT holdings, an overview of current and planned projects, and describes how they support the agency's strategic business plan (which is included by reference in the portfolio). The portfolios are updated annually and when an agency makes a major IT investment or disposal. In this way, agencies can make better-informed decisions and also avoid duplicative acquisitions and interoperability problems between and among agencies. Similarly, the Office of Financial Management requires IT-related decision packages to be developed, reviewed, and evaluated in the context of the requesting agency's IT portfolio. The policies, standards and guidelines related to IT Portfolio Management are available at [www.wa.gov/dis/portfolio](http://www.wa.gov/dis/portfolio).

**Relevant Materials Available:** "IT Portfolio Model," Department of Information Services.

**Contact for Information:** Department of Information Services, (360) 902-2978.

## Surplus Personal Property (other than real estate)

State personal property for which an agency has no further use may not, in most cases, be disposed of by the agency itself. Refer to the Office of State Procurement's website at [www.ga.wa.gov/purchase.htm](http://www.ga.wa.gov/purchase.htm). In general, surplus state personal property must be disposed of by the Office of Commodity Redistribution, Department of General Administration, under the provisions of RCW 43.19.1919 and rules promulgated by General Administration. Commodity Redistribution either finds another agency needing the surplus property, sells it, or authorizes destruction or abandonment. The fund from which the surplus property was purchased or the General Fund is credited with any amount recovered in excess of handling fees. There are certain limited exceptions, in addition to that indicated above, such as conflicts with federal grant provisions and small dollar (\$500) transfers between agencies.

**Relevant Statutes and Rules:** RCW 43.19.1919; WAC 236-48-190 through 236-48-198.

**Relevant Materials Available:** "State Purchasing Directives" and "Property Disposal Guide for State Agencies," available from the GA Office of Commodity Redistribution or [www.ga.wa.gov/surplus/procedure](http://www.ga.wa.gov/surplus/procedure); the state of Washington "Statewide Administrative and Accounting Manual," Section 30.40.45. [www.ofm.wa.gov/policies.htm](http://www.ofm.wa.gov/policies.htm)

**Contact for Information:** Office of Commodity Redistribution, Department of General Administration (253) 597-3703.

## Buildings/Surplus Real Property

The purchase or lease of buildings to house state agency operations, and the disposal of surplus real property, are controlled by two divisions of the Department of General Administration. There are additional controls through the appropriation process. The purpose of these controls is to achieve economy in state operations and convenience to the public.

The Division of Real Estate Services leases, purchases, lease-purchases, and disposes of real properties for agencies.

The Division of Engineering and Architectural Services is designated by law to manage the planning, design, and construction of capital projects for state agencies. Delegation of authority for small projects (under \$25,000) can be granted on application to the division.

**Relevant Statutes and Rules:** RCW 43.82.010; Chapters 39.04, 39.12, 39.80, and 43.19 RCW.

**Relevant Materials Available:** "Space Standards Manual" for facilities planning, available from the Division of Real Estate Services, General Administration; "Minor Public Works Contracts Instruction Manual," "A/E Instruction Manual," "A/E Fee Schedule," and "General Conditions of the Contract," available from the Division of Engineering and Architectural Services, General Administration.

Contact for Information. Division of Real Estate Services, General Administration, (360) 902-7373; Division of Engineering and Architectural Services, General Administration, (360) 902-7272.

## Solicitations Made on State Property

State offices are an attractive target for solicitors because they provide easy access to large numbers of people. Solicitations range from agents selling insurance to Girl Scouts selling cookies. Careful control must be maintained over solicitation in order to ensure that unsafe conditions are not created, agency operations are not disrupted, and unwarranted favoritism is not shown. Agency managers must also be careful to avoid the appearance of coercion when informing their employees about solicitations.

Solicitations fall into several categories, each of which is controlled differently: Any solicitation for partisan political purposes is forbidden (RCW 41.06.250).

- Statewide drives, such as for U.S. Savings Bonds, voter registration, and blood, must be approved by the Governor.
- Commercial solicitations in state owned or leased buildings must be approved in advance by the Department of General Administration.

- Charitable solicitations are generally prohibited except for the annual Combined Fund Drive.

For payroll deduction purposes, the following rules apply:

- Only those organizations included in the Combined Fund Drive are eligible for charitable payroll deductions (RCW 41.04.036 and Chapter 240-10 WAC).
- Property insurance and accident and casualty insurance plans qualify for payroll deduction only if approved by the State Employees' Benefits Board (SEBB) (RCW 41.05.065(6)).
- Health, life, and disability insurance plans are eligible for payroll deductions at the discretion of the employing agency if at least 25 employees request payroll deductions for a single plan (RCW 41.04.020 and 41.04.030). Agencies should exercise discretion in approving such plans so that existing coverage is not duplicated and the optional plans benefit employees.
- In order to avoid undue state liability, agencies must assure that deductions for supplemental (voluntary) coverage under the SEBB plans do not start until the applicants are approved and enrolled.

**Relevant Statutes and Rules:** See specific references above.

**Contact for Information:** Governor's Office, (360) 753-6780; Department of General Administration, (360) 753-5686; State Health Care Authority, (360) 438-7945.

## Work Week and Leave Procedures for Agency Heads

Like other high level professional state employees, agency heads usually work long hours to get their jobs done. However, state laws do not specify a standard work week or leave procedures for agency heads.

The Governor has established the following procedures for agency heads:

- Annual leave should be credited at least as rapidly as provided in RCW 43.01.040 and no more rapidly than provided in WAC 356-18-090. Normal rules regarding annual leave apply, including transfer, six-month employment period, and the 30-day accumulation limit. If state business requires an agency head to exceed the 30-day accumulation limit, a "statement of necessity" must be filed in advance with the Governor's Office, unless the excess leave can be used before the agency head's anniversary date of state employment.
- Sick leave should be credited at the rate of eight hours per month. Normal rules apply, including transfer and cash-out.
- Absences from work should be charged as sick leave, annual leave, personal holiday, shared leave, or leave without pay, as appropriate. Leave without pay must be for full day increments.
- Although normal compensatory time and overtime policies are not applicable, agencies may use "exchange time" under conditions specified in the Governor's Directive 99-01, dated April 15, 1999, which can be viewed at [www.governor.wa.gov/eo/exchange.htm](http://www.governor.wa.gov/eo/exchange.htm).

Records must be kept for all leave accumulation and use.

**Relevant Statutes and Rules:** RCW 41.04.340, 43.01.040 and 43.01.044; WAC 356-18-090.

**Relevant Materials Available:** Governor's Exchange Time Policy Directive dated September 12, 1989.

**Contact for Information:** Governor's Chief of Staff, (360) 753-6780; Department of Personnel, (360) 664-1960.

## Inter-Governmental Relations

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### Legislative Relations

State agencies and their managers perform a variety of important roles in the legislative environment. They monitor legislative committees so that they are better prepared to implement new laws consistent with legislative intent. They provide information and technical expertise to legislators and committees on bills affecting agency programs and operations. They also advocate the official position or interests of their agencies.

Success in the legislative arena depends on how well agency positions are presented, the soundness of those positions, and the skills of the people representing the agency. Success also depends in large part on the professional conduct of agency managers and staff as they interact with the Legislature.

The following suggestions are designed to assist in these efforts:

- Coordinate your legislation and budget positions with other affected agencies, OFM, and the Governor's Office using established bill review procedures and frequent communication before and during sessions.
- Always accurately and honestly present your legislation. If you don't know the answer to a question, say so, and respond with information as soon as it is available.
- Be sensitive to the time demands on legislators and staff. Be brief and to the point, and use simple graphics, when appropriate.
- Ensure that attendance at hearings and other legislative meetings is limited to only those agency staff who plan to testify or need to be there. Attendance at legislative hearings should be carefully monitored by agency legislative liaison officers. Over-attendance at hearings can create negative perceptions of public agencies.
- Maintain nonpartisanship on agency issues and avoid involvement in other issues that are not connected with your agency's legislative agenda.
- Learn and respect the procedures and protocols of the Legislature and its committees and show appropriate courtesy when testifying.
- Support the Governor's budget, executive request legislation, and approved departmental request bills. Avoid endorsing bills with fiscal impacts not covered by, or exceeding, appropriations in the Governor's budget.

**Contact for Information:** Agency Legislative Liaison; Governor's Legislative Liaison, (360) 753-6780; Governor's Executive Policy Office, (360) 902-0639.

### Support for Governor's Position on Legislation

Agency heads who serve at the pleasure of the Governor are, of course, expected to support the Governor's legislative positions. The Governor's legislative positions are usually expressed in the following:

- The Governor's budget.
- The Governor's executive request legislation.
- Agency (departmental) request bills approved (or disapproved) by the Governor for introduction.
- Other bills on which the Governor has taken a position.
- The Governor's veto messages. Agency managers need to be aware of the Governor's positions on bills that affect them and, if asked for their position by legislative committees, members of the media, or anyone else, should support the Governor.

Problems sometimes arise in this area because the process of developing the Governor's position is a very open one. This is especially true with regard to the budget, where the original agency request to the Governor is a matter of public record. Sometimes efforts will be made to persuade agency managers to commit themselves to positions contrary to the Governor's (e.g., "Your agency request for program X was \$20 million, but now you are supporting the Governor's request of \$18 million. Was your request inflated or are you supporting an insufficient amount?").

In such situations, it is important to remember that the Governor must establish priorities among programs. Unlike agency managers, the Governor does not have the luxury of simply looking at a single program's needs. Instead, the Governor must balance the needs of hundreds of worthy programs against available revenues. In this context, agency managers can fully support budget and legislative positions that are different from those they originally proposed when the Governor's positions were being developed. Agency managers should not dwell on the differences between their original requests and the Governor's positions, but they should not attempt to conceal such differences either. Such differences are completely understandable in the context of setting statewide priorities.

**Relevant Materials Available:** Governor's budget and legislative proposals, media releases, veto messages, and media conference transcripts.

**Contact for Information:** Governor's Legislative Liaison, (360) 753-6780; Governor's Executive Policy Office, (360) 902-0639.

## Pursuit of Agency Goals Before the Legislature

Although it is appropriate for agencies to pursue their interests before the Legislature in areas that affect their operations, this delicate area of agency activities should be handled with discretion. The following points should be observed.

- Public funds may not be used for gifts or campaign contributions.
- The Governor's policies and legislative positions must be followed. This includes the Governor's general policies as well as specific guidance conveyed during the development of agency and executive request legislation. All fiscal notes must be cleared by the Office Financial Management.
- Each agency must file quarterly reports with the Public Disclosure Commission (Form L-5) of any lobbying activities (as defined in statute) that go beyond routine functions such

as responding to requests for information, making budget requests for its own operations, and limited additional lobbying (see the back of Form L-5 or RCW 42.17.190(5)).

**Relevant Statutes and Rules:** RCW 42.17.190.

**Relevant Materials Available:** Public Disclosure Commission Form L-5 and "Public Agency Lobbying," both available from the Public Disclosure Commission.

**Contact for Information:** Governor's Office, (360) 753-6780; Public Disclosure Commission, (360) 753-1111; your assistant attorney general.

## Legislative Requests for Information and Reports

Agency managers should maintain good relations with the legislative branch. An important aspect of those relations is responding to requests for information about the agency's programs. The requests can come from the Legislature as a whole (e.g., statutory requests for studies, reports, or recommendations), from a legislative committee, from an individual legislator, or from a legislative staff member. Requests can vary in scope from a formal published report to an oral briefing. Regardless of the kind of request, agencies should always respond in a prompt, courteous, and thorough manner.

Here are helpful tips based on experience:

- When oral testimony of any magnitude is requested, always bring a written version of the testimony for the committee's reference. Try to provide legislative staff members with advance copies of committee testimony in time for them to become familiar with the information. If committee members have been provided a copy of the testimony in advance, it is always preferable to summarize the important points instead of reading the entire testimony. Be sensitive to the time constraints of legislators and their staff.
- Be sensitive to the Legislature's needs. Try to clarify exactly what information is needed before starting to compile it. One often discovers there is a more effective or easier way to provide what is needed than the request may initially suggest, particularly when the request may involve extensive research or compilation of data.
- If the request involves a subject of active interest to the Governor's Office or another agency, the response should be coordinated with the appropriate individuals.
- If a request can be better handled by another agency, it should be referred to that agency and the caller or writer advised.
- If the request raises questions regarding major policy issues that are unresolved, guidance from the Governor's Office or the Office of Financial Management (OFM) should be sought.
- Care should be taken that confidential information, such as confidential personnel information or information on pending legal actions, is not publicly disseminated (see RCW 42.17.250 through 42.17.340).
- On holidays during legislative sessions, key personnel should be available as necessary to provide information requested by legislators and their staff. Proper advance notice to

affected employees should be given to minimize use of staff eligible for penalty pay. Questions regarding penalty pay should be addressed to agency human resources officers or the Department of Personnel.

- To strengthen executive management and policy coordination, all written reports prepared for distribution to the Legislature must be reviewed and approved by OFM before being sent to the Legislature. The Governor's Executive Policy Office issues detailed instructions for the review of draft reports.

**Relevant Materials Available:** OFM Directive P85-4 and implementing instructions available from the Governor's Executive Policy Office.

**Contact for Information:** Governor's Legislative Liaison, (360) 753-6780; Governor's Executive Policy Office, (360) 902-0639.

## Federal Relations

Much like relations with the state Legislature, agencies often have frequent interaction with the federal government. In most cases, that interaction involves routine exchanges of information that are part of the normal relations between governments.

From time to time, however, agencies communicate with members of Congress, their staff, federal agencies, and other governors on matters outside of their normal day-to-day business. In these cases, it is important that state agencies present information and recommendations in a coordinated fashion consistent with the Governor's policy and overall state interests. Prior review and approval from the Governor's office is required on all agency correspondence that expresses a public policy position or recommendation or advocates a position on pending federal legislation, regulations, or budget. In addition, agency personnel who communicate directly with the federal government or other Governors (e.g., in-person visits, testimony, etc.) on issues of interest or concern to the Governor's office should inform that office of the nature of the communication.

Specific procedures for obtaining approval and reporting these contacts are outlined in a memorandum to all agencies titled "Governor's Office Federal Relations Procedures."

**Relevant Materials Available:** Governor's Office Federal Relations Procedures.

**Contact for Information:** Governor's Executive Policy Office, (360) 902-0639.

## Political Activities of State Employees

RCW 41.06.250 guarantees to most public employees the right to engage in political activities so long as they do so on their own time, using their own resources. (See earlier discussion of "Use of State Resources for Political Campaigns" in this handbook.) Managers should be careful not to abridge that right. Employees whose positions are primarily funded by federal grants are regulated by the federal Hatch Act, which restricts the political activity of executive branch employees of the federal government, the District of Columbia government and certain



state and local agencies. Information about the Hatch Act can be obtained from the U.S. Office of Special Counsel at [www.osc.gov/hatchact.htm](http://www.osc.gov/hatchact.htm)

RCW 41.06.250 also protects state employees from making involuntary contributions for partisan political purposes, and prohibits anyone from soliciting such contributions. Any solicitation on state property for partisan purposes is also forbidden.

**Relevant Statutes and Rules:** RCW 41.06.250.

**Contact for Information:** Department of Personnel, (360) 753-5358; your agency assistant attorney general.

## Internet Strategy

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### Digital Government

Digital Government is the state's Internet strategy, focusing on the infrastructure, policy, and business practices necessary to transform the relationship between citizens and their government. Beyond Government-to-Citizen (G2C), Digital Government extends to its trading partners (Government-to-Business or G2B), and intra- and inter-governmental relations (Government-to-Government or G2G). It also anticipates growing online synergies with educational institutions and non-governmental organizations.

Washington is committed to improving state government's efficiency and responsiveness by using information technology (IT) and the Internet to offer access to information, to improve services and service delivery, and to manage operations. Details on the Digital Government plan, architecture, governance, and implementation are available at [access.wa.gov/e-gov](http://access.wa.gov/e-gov).

**Relevant Materials Available:** Digital Government Plan, User Interface Guidelines, Online Privacy Policy Development Guidelines, Model Privacy Notice (Executive Order #EO 00-02), Model Piracy Policy (Executive Order #EO 00-02). These publications can be found at [access.wa.gov/e-gov](http://access.wa.gov/e-gov).

## Laws and Rules

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### Knowledge of Agency Laws and Rules

New agency managers, in their haste to become productive, may fail to familiarize themselves thoroughly with the statutes, rules, and court decisions pertaining to their own responsibilities. It can be both embarrassing and wasteful when managers take actions based on incomplete knowledge, such as adopting rules for which there is no authority or adopting policies internally while ignoring required rule-making procedures under the Administrative Procedure Act.

A critical first step for agency managers is to become familiar with the statutes, rules, court decisions, executive orders, and administrative directives that pertain to their assigned activities. This applies to broad policy declarations, to the detailed administrative directions that statutes often prescribe, to temporary measures such as provisos of the appropriations act, and -- if the agency receives federal funds -- to the Single Audit Act and other specific federal laws, rules, and regulations.

**Contact for Information:** Experienced agency personnel; your agency assistant attorney general.

### Rules vs. Internal Procedures

Agencies are generally authorized to adopt internal procedures in any way they see fit. Procedures that directly affect the public, however, must be adopted as rules in accordance with the Administrative Procedure Act, Chapter 34.05 RCW. Examples of procedures requiring adoption as rules are orders, directives, and regulations of general applicability that:

- Can subject violators to penalties;
- Relate to agency hearings;
- Relate to qualifications for benefits or privileges;
- Relate to qualifications for licenses; or
- Relate to minimum standards for the sale of products or materials.

See RCW 34.05.010(15) for specific definitions and exceptions.

**Relevant Statutes and Rules:** Chapter 34.05 RCW and Chapter 1-21 WAC.

**Contact for Information:** Your agency rules coordinator; your agency assistant attorney general.

### Rule Making - Client Groups and Legislative Intent

Most statutes passed by the Legislature are written in general language. The first step in administering such statutes is for the affected agency to adopt detailed rules for day-to-day administration. Rules (also called regulations) must be adopted according to procedures

outlined in the Administrative Procedure Act (Chapter 34.05 RCW and Chapter 1-21 WAC). This involves publication of proposed rules in the Washington State Register, public hearings, and publication of the adopted rules in the Washington Administrative Code. Specific public notice requirements for each step in the process are defined in Chapter 1-21 WAC.

In addition to the problems posed by the limits of time and by changing federal regulations, there are two particular problems agencies face in the adoption of rules -- dealing with client groups and determining legislative intent.

Client groups are those groups affected by a statute and rules. Client groups do not stop lobbying when a bill becomes law, but attempt to influence the administering agency to adopt rules favorable to their positions. Such groups are also helpful in developing rules because they tend to be very knowledgeable in their subject areas. They must be consulted before, during, and after the formal rule making process.

The legislative intent behind a new law is occasionally difficult to determine. The administering agency needs to take into account the statute's legislative history and the opinions of the Joint Administrative Rules Review Committee, key legislators, staff, and other interested parties. It is the agency's responsibility to interpret each statute passed by the Legislature so as to best serve the public interest.

**Relevant Statutes and Rules:** Chapter 34.05 RCW and Chapter 1-21 WAC.

**Contact for Information:** Your agency rules coordinator; your agency assistant attorney general.

## Regulatory Improvement and Rule Review

Executive Order 97-02 requires state agencies to review their administrative rules based on specific criteria, including need, effectiveness and efficiency, clarity, conformance with legislative intent and statutory authority, coordination and consistency with other agencies and jurisdictions, cost impacts, and fairness. As part of the review, agencies are directed to determine if their rules should be retained, amended, or repealed, and initiate rule making action, as appropriate. Results must be reported to the Governor during the initial four-year rule review cycle.

In addition to comprehensive rule review, agencies must review their policy and interpretive statements to determine if they should be converted to rules and review reporting requirements imposed on businesses.

While agencies are expected to complete their reviews in four years, the executive order mandates that they provide a process for on-going review of rules after the initial four-year review period. This means that regular and continuous rule review must be incorporated into each agency's routine administrative practices. In addition, any future rules adopted by agencies must be consistent with the principles and criteria contained in the executive order and applicable laws.

**Relevant Statutes and Rules:** Chapter 34.05 RCW.

**Relevant Materials Available:** Executive Order 97-02; annual progress reports on implementation of the executive order issued by the Governor's Executive Policy Office.

Contacts for Information: Governor's Executive Policy Office, (360) 902-0640; your rules coordinator; your agency assistant attorney general.

## Joint Administrative Rules Review Committee

The Joint Administrative Rules Review Committee (JARRC) was created to monitor the adoption of agency rules and compliance with legislative intent (RCW 34.05.610 through 34.05.681). The committee is composed of eight legislators, equally representing both parties and both houses. Staffing for the committee is shared by the House Office of Program Research and Senate Committee Services.

The JARRC reviews all proposed new and amended rules and notifies the proposing agencies of any cases where, in the committee's opinion, the proposals are "not within the intent of the Legislature as expressed in the statute which the rule implements." Following such notice, there are specific publication and review requirements.

Legislative intent can be a very elusive concept. It is the job of the administering agency to determine legislative intent based on the statutes that have been enacted and on the record of the deliberations leading to their enactment. However, legislative intent can be unclear if individual legislators have different intentions when voting for a bill. Only the courts can direct that a rule be altered because it does not comply with legislative intent.

The JARRC is a good mechanism for obtaining official feedback about the intent of a law from an officially designated legislative group. Its opinions should be carefully considered in the process of adopting, amending, or repealing rules.

**Relevant Statutes and Rules:** RCW 43.05.610 through 43.05.660.

**Contact for Information:** JARRC staff (contact the House Office of Program Research or Senate Committee Services).

## Public Relations

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### Responding to Letters, Electronic Messages, and Phone Calls from the Public

Agency managers must pay close attention to public relations because it can define an agency's image. One well-publicized slip can eclipse years of creative and dedicated work.

Work closely and early with the communications staff when planning a new program or initiative, especially ones that may be controversial. Try to frame the public discussion about it. Tell the truth.

Managers must ensure that their staff keeps them informed about activities that may become controversial; address them early, with help from your communications staff. Inform the Governor's office and other appropriate agency managers early and keep them informed.

Since reporters work on deadline, make sure your staff responses to media calls are timely. The communications staff often will need to obtain background information from agency managers to respond completely to reporters' questions.

In March, 2000, Governor Locke issued Directive 00-01 on Telephone Customer Service Goals. The directive set a higher standard of telephone customer service in state agencies and directed state employees to respond to citizens' calls promptly, professionally, courteously, and respectfully.

The following suggestions have proven helpful in the past:

- Phone calls should be answered the same day if possible, although they can be answered by letter.
- Letters and electronic mail should be answered promptly, within five working days of receipt. If the requested information is not ready within the normal response time, a brief phone call or letter of acknowledgment with the expected date of full response is appropriate.
- A tracking system with standards for response times, particularly where responses are to be prepared by staff members, should be established.
- All replies should be courteous and informative but should never promise anything that cannot be delivered.
- If the request is for information outside the manager's normal program area, it should be redirected to, or coordinated with, the appropriate authority. In addition to contacts made directly with agencies, the Governor receives a great deal of correspondence that requires responses to be prepared by agency personnel with special technical expertise. Detailed procedures have been established to handle such correspondence. Agency managers should be careful to comply with those procedures.

**Relevant Materials Available:** Governor's Correspondence Unit Memo, January 13, 1986; Correspondence Guidelines publications issued by the Executive Assistants Group.

**Contact for Information:** Governor's Correspondence Unit, (360) 902-4136.

## Media Relations

The media (print and electronic) have the important function of informing the public about state government operations. It is important that agency managers cooperate with the media. The following suggestions provide guidance:

- Be honest and factual. Personal opinions are best kept to oneself, particularly opinions regarding other people.
- If you are unsure of the correct answer to a question about policy, refer the question to someone knowledgeable in your agency or to the Governor's Office.
- If you think it is important for the public to have specific information, notify the OFM Communications Staff. The staff is responsible for media relations and for working with the Governor's media relations staff to coordinate news conferences, speeches, and other public appearances.
- Establish agency policies for media relations and designate media contacts on your staff.

**Contact for Information:** Governor's Press Secretary, (360) 753-6790.

## Budget

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### Budget Request and Allotment Submittal

The state of Washington operates with a two-year (biennial) budget, beginning on July 1st of odd-numbered years. Agencies make funding requests to the Governor through the Office of Financial Management (OFM). After consideration of agency expenditure requests in relation to available revenue and executive priorities, the Governor develops a budget recommendation which is submitted to the Legislature for its review and final appropriation. The proposed budget must conform to the requirement, put in place by the passage of Initiative 601, that total General Fund-State expenditures for any fiscal year can grow by no more than the combined rate of growth of inflation and the state's population. Legislative and judicial budget requests are by law "nonrevisable," i.e., the Governor is not permitted to propose changes prior to submittal to the Legislature.

Specific requirements for agency budget submittal are contained in the OFM biennial budget instructions distributed in May of even-numbered years. The Governor's recommendation is completed by December 20 and transmitted to the Legislature for review during the next legislative session.

Proposed revisions to the biennial budget may be addressed in the annual session of the Legislature. OFM also issues instructions for these supplemental budgets. Once appropriations are enacted by the Legislature, OFM distributes allotment instructions that indicate how agencies should prepare their biennial spending plans. Agency estimates are then submitted to OFM for entry into the statewide accounting system.

Managers should be aware of OFM requirements at the statewide level as well as internal procedures that their own agencies might establish. Budget concerns must be communicated to the agency director or fiscal officer as soon as possible. OFM involvement may also be necessary for problems of sufficient magnitude.

**Relevant Statutes and Rules:** RCW 43.88.020-110.

**Relevant Materials Available:** OFM Budget Instructions, OFM Allotment Instructions

**Contact for Information:** OFM Budget Division, (360) 902-0565.

### Expenditures Contrary to the Provisions of Appropriations

Agency officers and employees are personally liable for complying with the terms of their budgets as set out in budget bills and other legislation with appropriations. Because of Initiative 601, appropriations for General Fund - State are typically limited to one year while dedicated funds are appropriated for two years. Appropriations can be used only in the fiscal period for which they are provided, with unexpended appropriation authority lapsing at the end of that time frame.



Agency managers are responsible for:

- Spending (or committing to spend) only within applicable appropriations.
- Properly accounting for expenditures by fund, program, or fiscal period.
- Spending funds consistent with the terms, limits, or conditions of any appropriation or related proviso. Violation of these requirements can result in criminal sanctions, a monetary penalty, recovery of damages and/or termination of state employment.

State law does define certain circumstances where expenditures can be made without an appropriation. Examples include refunds of erroneous payments, payments from non-appropriated funds, allocations from funding made available to the Governor for compensation increases and emergency expenses, unanticipated receipts approved for expenditure by OFM, and certain disaster-related expenses of the Military Department. No such expenditures should be initiated by agency personnel without clear statutory authorization.

**Relevant Statutes and Rules:** RCW 43.79.260-282, 43.88.070, 43.88.130, and 43.88.180, 43.88.250-320.

**Relevant Materials Available:** OFM Allotment Instructions, available from OFM Budget Division.

**Contact for Information:** OFM Senior Budget Assistant for Operations, (360) 902-0550.

## Finance

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### Internal Financial Controls

Control of state assets is a significant issue in state government. Agencies are charged with the responsibility of establishing internal operating procedures so that assets of the state can be protected and accurately accounted for, legal compliance determined, and operational efficiency promoted. At the heart of financial systems are internal controls designed to protect state assets.

The state of Washington's internal control policy requires agencies to annually assess the risk associated with internal control systems and to perform an internal control evaluation of systems determined to be high risk. The policy also requires that any material internal control weaknesses be reported to the Office of Financial Management (OFM) at fiscal year-end along with a brief corrective action plan. The policy recommends that an internal control officer be appointed to oversee the risk assessment, review, and reporting process; however, the agency director has the ultimate responsibility for establishing, maintaining, and reviewing the system of internal control in the agency.

All agencies are to conduct an annual risk assessment of internal control systems and perform internal control reviews for systems determined to be high risk.

Guidance for the design of internal financial controls is available from OFM. The State Auditor also offers advice concerning financial controls in the course of annual agency audits.

**Relevant Statutes and Rules:** Chapter 43.88 RCW; Title 82 WAC.

**Relevant Materials Available:** Washington's "State Administrative and Accounting Manual" Chapter 20, [www.ofm.wa.gov/policies.htm](http://www.ofm.wa.gov/policies.htm). Training classes are available from the OFM Accounting Division that present internal controls from a management perspective and internal controls for specific types of assets and transactions.

**Contact for Information:** Your agency's OFM accounting consultant, Accounting Division, OFM, (360) 664-7700.

### Gifts or Loans of Public Money, Property, or Credit

Article VIII, section 5, of the State Constitution strictly forbids gifts or loans of public money, property, or credit to any individual, association, or corporation. This prohibition is broadly interpreted to cover such things as loan guarantees as well as more obvious situations like gifts of state money, materials, or equipment.

The only constitutional exception to the prohibition against gifts or loans is amounts appropriated for the necessary support of the poor and infirm. Even programs that provide support to the poor and infirm must be authorized by state statute.

**Relevant Statutes and Rules:** Article VIII, section 5, State Constitution; Chapter 43.88 RCW; numerous other statutes and court decisions.

**Contact for Information:** Your assistant attorney general; your agency's OFM accounting consultant.

## Management of Grants

Many agencies receive part of their funding in the form of awards or contracts from federal or other outside sources. Expenditure of these funds is typically conditional on budgetary authorization and compliance with program and fiscal regulations and provisions. Such regulations and provisions are found in state and federal laws, state and federal administrative regulations, award contract provisions, and instructions provided by the awarding entity.

Managers of grant activity should become familiar with such terms as Compliance, Internal Control, Subrecipient Monitoring, and Federal Single Audit.

In those rare instances where compliance with grant requirements appears to violate state laws or policies, managers should exercise caution and seek legal counsel before proceeding.

**Relevant Statutes and Rules:** State Budget & Accounting Act, Federal Single Audit Act, as amended.

**Relevant Materials Available:** OMB Circular A-133 and Compliance Supplement; Catalog of Federal Domestic Assistance; Washington's "State Administrative and Accounting Manual" (SAAM), Chapter 50, [www.ofm.wa.gov/policies.htm](http://www.ofm.wa.gov/policies.htm); Grant Contract Provisions.

State Agencies - OMB Circulars A-87 and A-102

Higher Education Institutions - OMB Circulars A-21 and A-110

Training classes offered by OFM's Accounting Division

**Contact for Information:** Your agency's OFM accounting consultant, Accounting Division, OFM at (360) 664-7700; your agency assistant attorney general.

## Audits

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### State Auditor

The State Auditor is a separately elected constitutional official charged by Chapters 43.09 RCW and RCW 43.88.160(6) with performing fiscal/legal post-audits of all state and local government agencies and performance audits when specifically authorized by law. Staff of the Office of the State Auditor is composed of nonpartisan, professional employees. In addition to making public reports on the expenditure of funds, the auditor is required to report to the Attorney General any apparent violations of the Constitution and other state laws such as conflict of interest.

All agencies of the executive branch are audited regularly and should cooperate fully. The auditor's recommendations are often helpful in improving agency financial operations. When audit exceptions are reported, the director of the Office of Financial Management is required to cause corrective action to be taken by the agency. Audits disclosing malfeasance, misfeasance, or nonfeasance in office are resolved by the Attorney General.

State agency heads and officers must immediately report to the State Auditor's Office known or suspected loss of public funds or assets or other illegal activity, as stated in RCW 43.09.185.

**Relevant Statutes and Rules:** Chapters 43.09 RCW and RCW 43.88.160(6).

**Relevant Materials Available:** Audit reports are available from the State Auditor.

**Contact for Information:** Assistant Director for Audit, State Auditor's Office, (360)902-0372 or (360)902-0368.

### Joint Legislative Audit and Review Committee

The Joint Legislative Audit and Review Committee (JLARC) is a permanent, statutory committee of the Legislature with equal representation from both houses and both parties. It has the power to perform a variety of oversight activities, such as performance audits, program evaluations, sunset reviews, policy studies, and other special studies.

Under the direction of the committee-appointed Legislative Auditor, the non-partisan committee staff conduct studies that focus on cost-effectiveness and program impacts, including compliance with legislative intent. Study topics are assigned to the JLARC by statute or budget provisos, or requested by legislators.

Agency managers are encouraged to cooperate fully with the JLARC and its staff during all phases of a study or audit. The JLARC and state agencies share a common goal of governmental program effectiveness and cost containment. Agency responses are included in the final reports, and agency representatives may generally view JLARC recommendations as steps toward positive improvements; however, sometimes agencies do not fully concur with

the JLARC recommendations. The recommendations may or may not be enacted into law by the Legislature.

**Relevant Statutes and Rules:** Chapter 44.28 RCW.

**Relevant Materials Available:** Sample audit reports are available from the Legislative Auditor, e-mail: [neff-ba@leg.wa.gov](mailto:neff-ba@leg.wa.gov) or Internet: <http://leginfo.leg.wa.gov/www/lbc/>.

**Contact for Information:** Legislative Auditor, (360) 786-5171.

## Sunset Review

Under the Washington Sunset Act (Chapter 43.131 RCW), the Legislature may schedule any program or agency of state government for a review by the Joint Legislative Audit and Review Committee and the Office of Financial Management. The Sunset process functions by scheduling a statute, program, or agency for termination at a future date, having the program or agency analyzed, and then allowing the entity to expire unless it is legislatively reenacted.

New since 2000 is a requirement that entities under Sunset must submit performance measures to JLARC one year after being scheduled for termination by the Legislature. Thereafter, an entity will have five years to collect performance information prior to the sunset review at the end of that time period.

The termination date is the action-forcing part of the Sunset process, but sunset does not always mean termination. In fact, while some programs and agencies have been eliminated, most of the entities subjected to the sunset process have been reenacted in modified form.

Agency managers are advised to cooperate fully in sunset reviews and to view them as performance audits that can result in improved functioning of state government.

**Relevant Statutes and Rules:** Chapter 43.131 RCW.

**Relevant Materials Available:** Sample sunset reviews are available from the Legislative Auditor, e-mail: [neff-ba@leg.wa.gov](mailto:neff-ba@leg.wa.gov) or Internet: <http://leginfo.leg.wa.gov/www/lbc/>

**Contact for Information:** Legislative Auditor (360) 786-5171; Governor's Executive Policy Division (360) 753-1649.

## Internal Audits

Internal auditing is an independent appraisal activity within an agency for the review of operations as a service to management. Internal audits also allow for agencies to measure the effectiveness of their internal controls in minimizing risk and achieving program objectives. Agencies should not rely solely on audits performed by outside agencies such as the State Auditor's Office or the Joint Legislative Audit and Review Committee.

At a minimum, state agencies are to appoint a senior manager as their internal control officer. The internal control officer is responsible for coordinating and staffing the required annual agency-wide risk assessment and, if deemed necessary, an internal control evaluation.

Agencies have the responsibility and authority for establishing and maintaining an internal audit program following the *Standards for the Professional Practice of Internal Auditing*. An agency should decide whether or not to employ an internal auditor based on the results of a risk assessment. Additionally, an agency should compare the priority of need for an internal auditor to the agency's programmatic needs.

**Relevant Materials Available:** "State Administrative and Accounting Manual" (SAAM), Chapter 20, Internal Control and Auditing, [www.ofm.wa.gov/policies.htm](http://www.ofm.wa.gov/policies.htm). RCW 43.88.160 (4).

**Contact for Information:** Your agency's OFM accounting consultant, Accounting Division, OFM, (360) 664-7700.